



U.S. Department of Agriculture
Foreign Agricultural Service

Fact Sheet

WTO and Agriculture **What's at Stake for Arizona?**

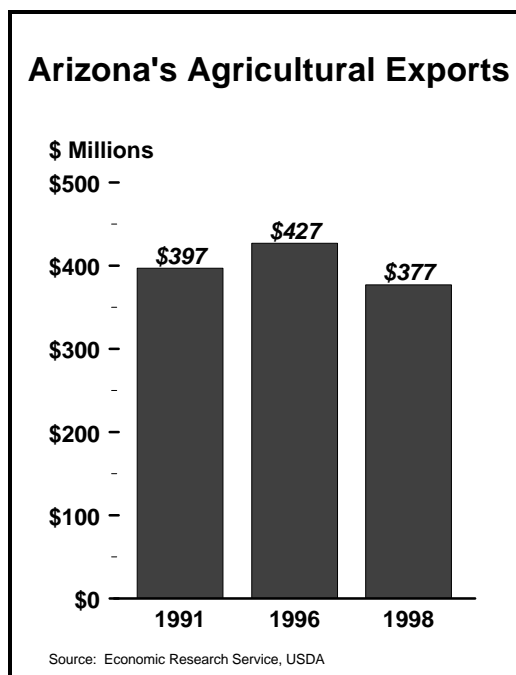
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Arizona produces agricultural and some wood products that are exported worldwide. In 1998, the state's cash receipts from farming totaled \$2.4 billion, and wood product shipments were \$708 million in 1996. As to exports, Arizona shipped an estimated \$380 million in agricultural products in 1998. These exports help boost farm prices and income, while creating employment both on the farm and off the farm in food processing, storage, and transportation. Agricultural exports are important to Arizona's economy creating about 4,750 jobs. Opposite of national trends, Arizona's reliance on agricultural exports (measured as exports divided by farm cash receipts) fell from 22 percent to 16 percent since 1991.

Arizona's top five agricultural exports in 1998 were:

- # cotton -- \$123 million
- # vegetables and preparations -- \$68 million
- # live animals and red meats -- \$46 million
- # fruits and preparations -- \$34 million
- # wheat and products -- \$32 million

World demand for these products is increasing, but so is competition among suppliers. If Arizona's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.



Arizona Producers Benefit From Trade Agreements

- # Under the Uruguay Round, Hong Kong and Malaysia bound their cotton tariffs at zero.
- # Given its large cattle industry, Arizona benefits from the Uruguay Round with a 38-percent reduction in the quantity of EU beef receiving export subsidies by 2000. Japan is reducing beef tariffs from 50 percent to 38.5 percent. Korea will eliminate its beef import quota by 2001 and reduce its tariffs to 40 percent by 2004.